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TAGS: [KDEM](#) [PGOV](#) [EAID](#) [PHUM](#) [SOCI](#) [PINR](#) [KV](#) [UNMIK](#)
SUBJECT: KOSOVO PROPERTY AGENCY UPDATE

REF: PRISTINA 62

Classified By: COM TINA KAIDANOW FOR REASONS 1.4 (B) AND (D)

¶1. (C) SUMMARY: The Kosovo Property Agency (KPA) is continuing its work adjudicating property claims cases, mostly involving displaced Kosovo Serb owners, but still struggles with enforcement and funding issues. In a meeting with us, KPA head Rosandhaug also mentioned that KPA activity in the Serb-majority north is at a standstill in the wake of Kosovo's February 17 declaration of independence. As UNMIK winds down its activities in the transition period, Rosandhaug argued for keeping the KPA under some form of UN mandate, since Serbia would almost certainly refuse to cooperate, including in providing access to critical cadastral records, if the EU-led EULEX mission were to take responsibility. We advocated engagement with the PM's soon-to-be-established Office of Communities and tighter coordination with the Kosovo Police Service (KPS) to help address enforcement of KPA decisions, one of the key problems we see facing the KPA. END SUMMARY.

CONTINUING WORK

¶2. (SBU) At a February 20 meeting with USOP, Kosovo Property Agency (KPA) head Knut Rosandhaug gave current statistics on the KPA's work: approximately 40,000 claims on disputed land and property have been received to date, and approximately half of these claims have been notified, meaning the claimant knows that it is being processed. Of those who have been notified, about three quarters have had a decision made in their favor. The remaining cases are awaiting processing and a decision. The adjudication commission, which first met in the summer of 2007, is composed of international judges and lawyers and one local judge who render decisions on claims. Initially, only 11,000 claims were expected, Rosandhaug noted, but the four-fold increase in claims has increased the need for funding and caused the timelines for resolution of cases to slip. (Note: Claim intake was supposed to close on December 3, 2007, but was continued until the end of 2007. The SRSG has asked to keep the claim intake open, but that has not happened yet. So far 5,749 cases have been

adjudicated, but problems with re-evictions and general enforcement have made some of these decisions difficult to implement. End Note.)

13. (U) Rosandhaug also gave recent statistics on the rental scheme, begun in October 2006, which serves as an alternative for displaced property-right holders, the large majority of whom are Kosovo Serbs. Of the 4,147 properties eligible for inclusion, 2,724 of them are part of the scheme, and 876 of those have been rented. A little over 500,000 euros has been collected thus far and transferred to owners. Thus far, the KPA has carried out 279 evictions in relation to the rental scheme, 64 of which are in the Serb-majority north Mitrovica, i.e., mainly Kosovo Albanians who had been displaced as a result of the conflict in 1998-99. However, the KPA has been unable to enforce the rental scheme on the properties in north Mitrovica properties as the KPS and UNMIK have not supported this effort.

EVICTIION AND ENFORCEMENT

14. (C) We noted that one of the key problems facing KPA is that illegal occupants often re-occupy properties after they have initially been evicted, and securing support from the Kosovo Police Service (KPS) and the KPA itself to ensure final, effective enforcement of these decisions has proved challenging. While noting that this is true in only a small number of cases, Rosandhaug agreed that KPS, in cooperation with KPA, conducts only an initial eviction, but generally takes no action after that, especially if the illegal occupant keeps his/her possessions in the occupied property. At USOP's behest, Rosandhaug committed to work to improve this situation by agreeing to second a KPA official to the PM's soon-to-be-established Office of Communities, which will have a special section dealing exclusively with Kosovo Serb property issues (reftel). Rosandhaug said he would also work more pro-actively with KPS Police Chief Ahmeti to resolve these cases, many of which get noticed in the Belgrade media. To further support this, Rosandhaug shared with us a copy of a draft memo from UNMIK DOJ head Bob Dean to SRSR Ruecker asking for an administrative directive that would continue the KPS role in removing illegal occupants, but allow KPA "execution officers," with KPS support, to remove the illegal occupants' property as well. (Comment: This is a good and workable solution in our opinion. We had heard that outgoing KPS Police Commissioner Monk (who departed Kosovo March 1) did not favor this approach, but that incoming Commissioner Larry Wilson, an Amcit, is on board. End Comment.)

15. (C) Even if these efforts are successful, Rosandhaug said enforcement in the Serb-majority north will continue to be a particular challenge. The KPA is concerned that its ability to enforce evictions and collect rent in the north will only decrease in the wake of Kosovo's February 17 declaration of independence. He noted that UNMIK's regional representative in Mitrovica told the KPA that eviction orders there cannot be carried out because of security concerns. This development, Rosandhaug feared, would then make it more difficult to collect from renters in the Albanian-majority south.

16. (C) Rosandhaug expressed concern about the future of the KPA during the current transition period and beyond. He noted, in particular, that if the EU-led EULEX mission were to be given responsibility for KPA, Serbia would likely refuse cooperation, making it impossible to access critical cadastral records. To avoid this, Rosandhaug recommended that consideration be given to placing KPA under the auspices of the UN Office for Project Services, once UNMIK's mandate winds down. (Note: KPA itself is scheduled to be phased out by the end of 2009, but this may change if funding problems slow the pace of its work. End Note.)

MONEY WOES

17. (SBU) Rosandhaug raised the perennial problem of KPA

funding, noting that he has an operational monthly requirement of 440,000 euros per month, but is currently running on around 277,000, most of which goes to pay salaries of the more than 200 staff, only 12 of whom are international. Asked what could he cut if he needed to, Rosandhaug replied that closing KPA's satellite offices in Belgrade and Montenegro would be his first choice. Rosandhaug noted that some have compared the KPA to a similar operation in Bosnia, and have asked why Kosovo is more expensive. He explained that, unlike the Bosnia operation, which he said had only to confirm files using electronic cadastral records, the KPA has had the far more labor-intensive process of verifying often unavailable, incomplete or contested records. He defended the KPA's record, noting that the KPA cost per claim case is only around 500 euros.

18. (SBU) Rosandhaug said that a current evaluation on the KPA being conducted by the European Agency for Reconstruction (EAR), due to be released in March, will likely have an effect on how much individual EU donors and others will continue to fund KPA's future activities. The current funding shortfall of the KPA for 2008 is 2 million euros, he went on, with the total request being 5.3 million euros, some 3.3 million of which they have already secured. (Note: The USG has pledged USD 700,000 for the 2008 KPA budget and has a seat on its Board of Directors. End Note.) He lamented that fact that EAR is withholding the final installment of their donation, 600,000 euros, pending the EAR evaluation in March. KPA's estimate of its 2009 budget shortfall is 4.5 million euros, and if the agency can receive the full amount requested, Rosandhaug said it could close its doors on time, i.e., by the end of 2009.

19. (C) COMMENT: While there has been some donor complaint that KPA could be leaner and meaner, our opinion is that it continues to adjudicate claims efficiently and generally effectively. We have seen more problems in the enforcement of KPA decisions, particularly in the Serb returnee areas of Klina and Istok municipalities. While Rosandhaug is correct in saying these are only a handful of cases, they are high-profile cases that damage the image of the KPA and do not contribute to an environment conducive to greater Serb returns. We will continue to press the KPA and KPS to work together to enforce these decisions.

KAIDANOW